

25X1A

CLASSIFICATION ~~RESTRICTED~~  
SECURITY INFORMATION  
CENTRAL INTELLIGENCE AGENCY  
INFORMATION FROM  
FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT NO.  ILLEGIB

CD NO.

COUNTRY Rumania

SUBJECT Economic - Consumer goods, production data, cooperatives

HOW PUBLISHED Monthly periodical

WHERE PUBLISHED Bucharest

DATE PUBLISHED Mar 1952

LANGUAGE Rumanian

DATE OF INFORMATION  25X1A

DATE DIST. 24 Mar 1953

NO. OF PAGES 13

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Probleme Economice, Vol V, No 3, 1952.

#### INCREASED PRODUCTION OF CONSUMER GOODS IN RUMANIA

N. Stern and B. Constantin

Expanded production of consumer goods has enabled the RPR (Rumanian People's Republic) to make an increasingly larger number of products available to the working people. For example, during 1951, the production of cotton and vicuna fabrics was 17.7 percent higher than in 1950, woolen fabrics 22.6 percent, knitted goods 16.7 percent, ready-made wearing apparel 29 percent, and footwear 19.3 percent. For food products the increases were as follows: bread 39.7 percent, edible pastes 26.4, sugar products 26.9, fish 64.5, edible oil 5.4, butter 62.2 and canned fruit and vegetables 26.1 percent.

Increases over 1950 in distribution to the population were as follows: 18 percent more bread, 32.3 percent more edible pastes, 16.4 more meat preparations, 74.7 percent more fresh fish, 38.2 percent more butter, 23.6 percent more sugar products, 18.3 percent more cotton fabrics, 20.2 percent more woolen fabrics, 16.2 percent more footwear, and other items.

As a result of the constant increase in the production of consumer goods and the increasingly greater volume of goods distributed through the cooperative and state commercial network, the standard of living of the working people has risen year by year.

Although the quantity of goods distributed increased, the price decreased. The currency reform of 28 January 1952 provided for the reduction of the retail prices of a large number of general consumption goods such as bread, meat, sugar, edible pastes, meat preparations, sugar products, textiles, knitted goods, ready-made wearing apparel, and other items.

The successful execution of the government's and the party's policy of raising the standard of living through a continuous increase in the production of consumer goods and price reductions means important tasks for personnel in

25X1A

25X1A

RESTRICTED

ILLEGIB

the food industry, light industry, local industry and handicraft cooperatives, and all other industrial branches producing general consumption goods. As indicated in the financial decree of 7 March 1952 "the State Planning Commission, the State Supply Committee, the Ministry of Food Industry, the Ministry of Light Industry, the Ministry of Metallurgy and Chemical Industry, the Ministry of Domestic Trade, the Ministry of Local Industry and Communal Administration, the Union of Handicraft Cooperatives, and the Centrocoop (Central Organization of Consumer Cooperatives) will work out and present to the Council of Ministers a plan of supplementary objectives for the production of general consumer goods by national enterprises, local enterprises, and handicraft cooperatives not later than 1 April 1952."

#### Increased Supply of Consumer Goods

By carefully analyzing the enormous internal reserves of the enterprises, by initiating the measures necessary for better utilization of equipment and reduction (in the use of raw materials,) by introducing a system of drastic economies, increasing the productivity of labor, and bringing about a reduction of production costs, the personnel of the enterprises producing consumer goods can achieve an increase in the volume of production.

Workers, technicians, and engineers of the food enterprises have an especially important role. These enterprises must make available to the working people increasingly larger quantities of foodstuffs, such as bread, edible pastes, meat products, milk products, butter, milk, canned goods, and other items. Under the present regime a number of industrial branches, such as the machine-building and the electrical engineering industry, have undergone a great development. The food industry has been unable to achieve a comparable increase in production.

The development of the food industry has lagged behind that of the other branches of the national economy because of the failure of some of its sectors to fulfill the plan. As a result, difficulties have been encountered in supplying the people with food products.

The production level of the food industry must be brought up to that of the other branches of the national economy. The achievement of this objective must be the permanent concern of those working in this field. The standard of living cannot be raised unless the quantity of food products available to the workers is increased every year. At present, the food industry is in a position to become one of the foremost industrial branches.

During 1951, those working in the food industry encountered many difficulties because they did not have steady supply of raw materials. In 1952, however, as a result of a favorable harvest, proper organization of collections and purchases, and strict enforcement of contract obligations, they will receive the raw materials they need. The bread products sector, the sugar industry sector, the oil factory and canned goods sectors, and others will be unable to carry on their work under more favorable conditions than in 1951. The fishing industry, which recently received the ship Octombrie Rosu, is in a position to supply increasingly larger quantities of fish.

Those working in the enterprises under the Directorate of Meat Industry and Directorate of Milk Industry can also make an important contribution. The Directorate of Meat Industry has been greatly assisted by the establishment in each regime of purchase, collection, and supply offices and also enterprises of the Directorate of Milk Industry aided by more efficient organizations of the collection network, and by improved means of transportation for the delivery of milk to the processing units, will be in a position to improve their work and provide milk products in large quantities.

- 2 -

RESTRICTED

25X1A

RESTRICTED

ILLEGIB

A steady supply of necessary raw materials to the enterprises is one of the basic requirements for increasing the production of consumer goods. To prevent any shortages which might be caused by delayed delivery raw materials, the decree of 7 March instructs the Ministry of Food Industry, the Ministry of Light Industry, and the State Committee for Collections to take the necessary measures for the collection of overdue agricultural products, for the accomplishment on schedule of the tasks connected with the collection of the 1952 harvest, and for the immediate conclusion and subsequent enforcement of contracts with collective farms, agricultural cooperatives, and individual agricultural producers.

By fully utilizing their internal resources, by organizing their work more efficiently, and by eliminating the shortcomings noted during the fulfillment of the 1951 plan, the personnel of the enterprises in the food industry must increase the production of foodstuffs to achieve the objectives assigned them.

The reserves which can be utilized in increasing the production of enterprises in light industry are especially important. The personnel in this branch of industry must work for greater variety of goods, for a systematic improvement in the quality of their products, and for a reduction of manufacturing costs.

By eliminating rush work at the end of the month the personnel in the enterprises producing consumer goods will be able to avoid losses of raw and processed materials and the accompanying excessive use of machinery and equipment, which frequently makes it necessary to take the machinery out of operation or at least make secondary repairs. The savings in each element of the production expenditures resulting from the rhythmic fulfillment of the plan will make it possible to increase industrial production and reduce manufacturing costs.

#### Conservation of Raw Materials

Continuous reduction of the consumption of raw and processed materials is of great importance for enterprises producing consumer goods since the reduction of consumption norms means a decreased use of raw and processed materials. This makes it possible to produce increasingly larger quantities of products from a given quantity of raw materials. For example, by reducing the specific consumption of seeds per kilogram of oil, the Filimon Sarbu oil factory was able to save large quantities of raw materials in 1950 and to exceed the plan for oil production.

In the production of sunflower oil alone a reduction of the use of seeds per kilogram of oil from 3,910 kilograms in 1949 to 3,334 kilograms in 1950 resulted in savings for the whole enterprise of 426,554 kilograms of seeds, the equivalent of 125,000 kilograms of oil. Similarly, through savings achieved in the use of other raw materials substantial quantities of oil were produced above the requirements of the plan.

In light industry also, many enterprises economized in the use of raw materials and were thus able to exceed the plan for producing consumer goods without needing additional raw material.

The establishment of raw material norms for each individual enterprise on the basis of average progressive norms holds great promise as a means of further increasing the production of consumer goods.

- 3 -

RESTRICTED

25X1A

RESTRICTEDLabor Productivity

Increased production of consumer goods is closely tied up with increased labor productivity. Enterprises producing such goods can achieve important successes in production by introducing new techniques in production and by making constant improvements in the technological processes, by efficiently organizing labor and by increasing the skill of workers. Internal reserves, such as inventions, innovations, and rationalizations in production, increased utilization of equipment and machinery, elimination of losses in the operation of the equipment, and reduction in the time required for repairs will increase production.

The utilization of machinery and equipment can be improved and the continuity of the production processes assured only if the workers, technicians, and engineers, are sufficiently concerned with keeping the equipment in optimum condition, repairing it, operating it efficiently, and modernizing and improving it. Numerous examples can be given of enterprise personnel who have achieved important successes in the campaign to increase the productivity of labor and thereby to increase production.

For example, the Buhusi textile mill has achieved important successes through proper maintenance of its equipment. By efficient operation of its equipment the 7 Noembrie plant increased its labor productivity considerably in 1951 over that of 1950. The Partizanal Rosu plant in Stalin, the Flacara Rosie, and others were equally successful.

The modernization of old equipment constitutes an important reserve for increasing the production of consumer goods. By availing themselves of Soviet technical literature, the workers, technicians, and engineers can learn of inventions and innovations and use the knowledge to increase the production of their enterprise.

In addition to proper maintenance and repair of the equipment and its proper operation and modernization, there must be a determined campaign to achieve the most efficient use of the work hours. For example, in the garment industry as many as 8 hours per workers were lost each month through failure to make complete use of the work time.

Mechanization

The productivity of labor can be increased through the mechanization of manual operations and the introduction of conveyor belts. For example, labor productivity was increased considerably at the Constantin David enterprises by the installation in the biscuit section of conveyor belts connecting the oven with the packing room. The bread section attached glass protective devices to the two conveyor belts which carry the cut dough from the automatic scales to the shaping table thereby solving, to a considerable extent, the problem of bread sanitation. There are numerous ways in which manual operations can be mechanized in the food industry. Mechanization contributes not only to increasing production but also to cleanliness.

The mechanization of operations and the improvement of technological processes constitute important reserves for production increases in light industry. For example, in the rubber industry manual operations, such as mixing the rubber on rolls, cutting rubber sheets, making footwear, as well as transportation within the plant, can be mechanized by using dies and circular saws for cutting purposes, installing conveyor belts, and by mechanizing the means of transportation. In the finishing of textiles the loading of the autoclaves could be mechanized. Moreover, it would be possible to expand the diameter of the pipes to reduce time required for filling and draining the basins, and to increase the speed of the washing and chlorinating machinery. This would mean a shortening of the manufacturing cycle.

- 4 -

RESTRICTED

25X1A

RESTRICTED

In other sectors new high-productivity manufacturing methods could also be used. For example, aluminum knives, forks, and spoons could be manufactured by chill-molding or by pressure-molding followed by chill-pressing in the matrix. In the glass industry it would be possible to mechanize the drawing of tubes and the making of blown glass articles and pharmaceutical vials.

Soviet Methods

The continuous increase in the production of consumer goods is closely connected with the adoption of Soviet Stakhanovite methods. Soviet high-productivity methods were used with such success during 1951 by the enterprises in light industry, the food industry, and others. For example, in light industry the formation of quality brigades according to the Chutkikh method and of economy brigades according to the Lidya Korobelnikova method have greatly contributed to improvement of product quality and to important savings. By using the Korobelnikova method, many workers were able to conserve cloth, linen leather, and other important raw materials.

The adoption of the Melnikov and Kovalev methods, the rapid tanning method and other Stakhanovite methods by workers in light industry contributed to an increase in the productivity of labor and an improvement in the quality of the products. The adoption of the timetable method by several of the country's textile enterprises resulted in a 23 percent increase in the productivity of labor over 1950.

Sixteen Soviet methods of work were successfully used by the food industry in 1951. The application of the Nina Nazarova method in the bread industry helped to shorten the time required for repairs and extended the useful life of the machinery, thus making possible a greater production than that required by the plan. The utilization of the Antonina Zhandarova method, by which the time wasted between shifts is eliminated, made possible an 8-14 percent increase in the productivity of labor at the Steagul Rosu plant. The Kotlyar and Valentina Krisanova methods of checking the fulfillment of the production plan by means of hourly charts, the Chutkikh method for improving product quality, and also the Lidya Korobelnikova, Kovalev, and Voroshin methods were successfully used by many workers in the enterprises of the food industry. In the campaign to increase the production of consumer goods, the adoption of Soviet Stakhanovite methods constitutes an important reserve which must be fully used by all the personnel of enterprises producing such goods.

Use of Scraps and Remnants

An important contribution to the increased production of consumer goods could be made by the metallurgical enterprises and the remnants-conversion sections in plants and factories. Some enterprises, such as Triumph, 1 Septembrie, Elastic, and others, succeeded in increasing the production of consumer goods by the economical use of remnants. Nevertheless, there are still many enterprise collectives which do not devote sufficient attention to the use of remnants. Examples of this are the collectives at the Viitorul and Unio enterprises.

Metallurgical enterprises with sections producing consumer goods can increase production by using scraps. Certain enterprises must change their attitude toward the manufacture of consumer goods. They have been producing goods for which there is little demand and therefore have had trouble disposing of their products. For example, several enterprises manufactured pressed instead of forged farm tools, items for which the demand was negligible. Consequently, most of the them had to be stored because they could not be sold.

RESTRICTED

25X1A

RESTRICTED

The use of scraps must also be a main concern of enterprises in light industry and the food industry, and some of them have already been very successful. The Bela Brainer enterprise, for example, has used scraps to produce items for several children with the result that there have been reductions in their costs. Similarly, several collectives in leather enterprises were able to use scraps in manufacturing belts, wallets, and other articles. In the food industry, too.

In the food industry, too, the use of scraps can be of great importance. Potato pulp, a residue in the production of potato starch, can be used by alcohol plants. Residues from the wine or fruit and vegetable canning industries can also be used. In addition, it is possible to use the carbon dioxide given off in wine making.

#### Improvement of Quality

The systematic struggle to achieve a continuous increase in the volume of consumer goods must be accompanied by increased concern for an improvement in the quality and an increase in the variety of such goods.

During the second half of 1951, the textile industry placed special emphasis on improving the quality of its products. New and varied patterns were introduced and many new articles were manufactured during this period. To improve the quality of the products and increase their variety the enterprises in this branch must make certain that they are adequately supplied with chemicals and dyes. In this way the difficulties of 1951, when the absence of these items endangered the fulfillment of the plan and caused a drop in the quality of the products manufactured by certain mills, will be avoided.

It is very important to have rigorous quality control through which the enterprise management can learn of shortcomings promptly, and take steps to eliminate the causes of drops in quality. The establishment of a rigorous control in the leather industry would contribute to the improvement in the quality of the products. For example, in footwear, the durability of the material has improved, but the quality of the product still leaves much to be desired. It is also necessary to improve the quality of the products of the food industry, particularly milk products, canned fish and fish pastes, and canned vegetables.

#### Local Industry

Increasing the production of consumer goods means important tasks for local industry and artisan cooperatives. The reserves of raw materials and fuel available in each region constitute immense sources of wealth which have not yet been sufficiently exploited. They must serve as the material basis for the development of the local economy, assuring a continuous increase in the production of consumer goods.

According to the Five-Year Plan of the Rumanian People's Republic the value of the total production of the local industry is to be three times as great in 1955 as in 1950 and that of artisan cooperatives nearly three and a half times as great.

The party and the government are strongly supporting the development of local industry. The government is financing more than 50 percent of the total investments of local industry for 1952, the rest being supplied from local revenue. The national enterprises are required to furnish local industry with all kinds of equipment as well as scraps and remnants to be used as raw materials. On the other hand, the development of local industry will provide sufficient income for a many-sided local development. All profits realized by

- 6 -

RESTRICTED

ILLEGIB

25X1A

RESTRICTED

local industry remain in the area, 75 percent being used for the further development of local industry and the other 25 percent for social and cultural purposes and the construction of public buildings. A substantial part of local production, in some cases the whole production, remains in the area where it was produced to satisfy local needs or is used in obtaining products unavailable in the reguine through regular state stores.

To improve the organization of the local economy the party and the government decided to draw up local plans. Decision No 1051 of 20 October 1951 was concerned with the preparation of local plans for 1952. Material needed for drawing up the draft plans was collected in every reguine, including statistical data, information on the reguine resources, the organization of the local economy, and the social and cultural conditions in the reguines.

Several important conclusions may be drawn from an analysis of this evidence. In Prahova Reguine, for example, the development of the construction materials industry is enabling the province not only to meet its own needs from its own production but also to supply national construction projects with millions of bricks, large quantities of lime, and other materials. Nevertheless, some construction materials are not being put to use. Local industry in this province must also concern itself with making use of wastes from state socialist industry, especially petroleum residues.

During the last few years, especially 1950 - 1951, several workshops were set up in Baia-Mare Reguine to use wastes from state industry as raw material. Sections were established in a number of enterprises to make soap from residues left over from the production of sunflower oil and other fats, formerly wasted.

In Suceava Reguine, the reguine people's council and the raion people's councils devoted attention to the use of local construction materials. They looked into the possibility of increasing the production of limestone required by sugar factories and recommended the construction of new lime kilns. The 21 Decembrie enterprise at Radauti began in 1951 to produce the presses needed for brickyards. Cluj Reguine likewise scheduled the manufacture of presses for brickyards.

In Arges Reguine the use of low-quality coal rather than wood was adopted for baking lime. Special ovens were constructed for this purpose and they have given satisfactory results.

On the basis of the evidence collected, and, with the assistance of the newly established planning sections, the production and the manufacture of new products has been started. In Dolj, Ialomita, and other reguines willows were planted to provide the necessary raw materials for local basket-weaving shops. These shops will produce, in addition to ordinary weaving, baskets for packing fruit, vegetables, and other items, replacing the lumber now used for such packing.

Large quantities of shells are found in the Danubian section of Dolj Reguine. In the draft plan for 1952, provision has been made for the exploitation of this local resource. Two button-manufacturing shops will be established and the local inhabitants will gather the shells.

In other reguines the stomachs of slaughtered cattle are tanned and the leather thus obtained is used in manufacturing purses and other items.

In Bihor Reguine residues from breweries and alcohol producing plants will be used for manufacturing a product rich in Vitamin D for animal consumption.

- 7 -

RESTRICTED

ILLEGIB

25X1A

RESTRICTEDErrors in Local Economy

Nevertheless, data on the provinces have revealed certain important deficiencies in local planning and organization.

One of the principal shortcomings revealed during the gathering of these data has been the separation of the political from the economic work by many people's councils. The political work was usually considered to be the function of the executive committees, while the economic, the social, and cultural work were considered to be the function of the administrative sections and of the various ministries. For this reason, the local resources, in some reguines were insufficiently investigated. Effective economic exploitation could not be attempted. No new local enterprises were set up, and the existing ones pursued the wrong course by dipping into the centralized fund. Moreover, many people's councils regularly carried on unproductive activities and have not been interested in developing productive ones in local industry, animal husbandry, and agriculture.

This mistaken orientation has been particularly obvious in the Moldavian reguines, except for Suceava and, to a certain extent, Bacau. These reguines tended to engage in unproductive activities in the field of communal farming and in the social and cultural sector.

Iasi Reguine, and especially the town of Iasi itself, although badly damaged during the war, has not yet developed local production of the construction materials required for the repair of this damage. Moreover, there are few local enterprises processing the abundant fruit of the reguine.

Iasi Reguine trailed all others in total production for 1951. It produced less than one fourth as much as Teleorman Reguine which was next to last in the production standings. The leading reguine, Baia Mare, produced more than 200 times as much as Iasi in 1951. Although the draft plan for 1952 calls for a tenfold increase in production over 1951, Iasi Reguine is still lagging far behind the others.

To change this situation, the reguine people's council and the planning section must thoroughly investigate the potentialities of the reguine, correct and properly adapt the 1952 plan.

The situation is not better in the other Moldavian reguines. The people's council of Putna Reguine, for example, has not paid sufficient attention to the economic exploitation of local resources and has also neglected the development of the lumber and tartaric acid industries. Similar conditions prevail in the Danubian reguines, with the partial exception of Galati.

To draft an adequate production plan it is necessary to organize the existing enterprises efficiently, to utilize fully all available equipment and machinery, to raise the productivity of labor and the quality of products constantly, and to reduce manufacturing costs constantly. Only thus will local enterprises become profitable and produce socialist accumulations. The people's councils have much to do in this direction.

The objectives fixed in the local industry plan for 1952 can be exceeded by a considerable margin if production is well organized and the local raw material resources utilized extensively. To do this it is necessary to wage a determined campaign against the state of mind of certain people's councils which expect to receive everything from the central authorities. The habit of underestimating local sources of raw materials by local industries must be eliminated as soon as possible. Local resources such as sands, quartzes, clays, fuels, coloring earths, scraps, wild fruits, and other items must be put to use.

- 8 -

RESTRICTED



25X1A

RESTRICTED

The initiative shown by Dolj Reguine in establishing workshops for the manufacture of buttons from the shells found along the Danube can be imitated in other provinces. The attitude of the people's council of the town of Iasi is inexcusable. This council, expecting to receive everything from the central authorities, takes no interest at all in the development of local industry and makes improper use of the funds allotted for investments. The possibilities for the expansion of local industry are tremendous. It can produce hardware and agricultural equipment, fabrics, knitted goods, glassware, earthenware, furniture, rope, basketwork of all kinds, chemical products, dyes, and food products. To this can be added workshops for the repair of household articles, dry cleaning and dyeing plants, and shops working with materials supplied by their customers.

National industry cannot satisfy the great variety of local tastes. One of the principal missions of local industry is to increase the variety of consumer goods to satisfy these varied local tastes.

It should also be observed that many people's councils have not paid sufficient attention to the development of animal husbandry, the economic exploitation of agricultural products, the expansion of the production of foodstuffs, the economic exploitation of peasant crafts and handicrafts, and the distribution of local products.

Many reguine people's councils have not yet prepared clear and detailed records on all areas under their jurisdiction. The reguine people's councils keep records only on the lands which have been assigned for the use of certain rayon enterprises. It is therefore impossible to make a clear analysis, of animal husbandry and agriculture or to attempt proper planning for the local food industry.

It is also necessary to organize the purchase of the surplus agricultural products remaining in the hands of the producers after they make their compulsory deliveries and thus supply the local food industry with the necessary raw materials. Moreover, attention must be given to the economic exploitation of all kinds of fruit including wild fruit (acorns, raspberries, blackberries, blueberries, etc.). The economic exploitation of mushrooms and wild fruit like raspberries, blackberries, and blueberries has so far been negligible. Only a small part of last year's large acorn crop was gathered.

Insufficient attention has been paid to increasing the number of beehives and of barnyard fowl or to expanding the production of fish by improving and stocking lakes and ponds.

Although some attention was given during 1950 - 1951 to improving fishponds, only a very small number of ponds were made available because of the lack of proper organization and planning. Eotosani Reguine tried to establish too many fishponds and ended by establishing none. Contributing to this situation was the fact that the central fund of materials was expected to supply all the materials necessary for the establishment of the ponds.

The people's councils in Baia-Mare, Bihor, Iasi, Teleorman, Ialomita, Dolj, and other reguines explored only a very small fraction of the possibilities open to them for increasing the production of fish. Many lakes, such as Ierbiceni in Iasi Reguine and less important lakes along the Danube whose development has not been undertaken by national enterprises, are not being developed at all.

Ponds are not, as a rule, stocked with geese or ducks although their presence contributes to the mineralization of the water, so necessary in fish breeding. The mountain reguines have not taken advantage of opportunities for increasing the production of trout by stocking lakes.

- 9 -

RESTRICTED

ILLEGIB

25X1A

RESTRICTED

Only modest beginnings have been made in canning cultivated fruit and vegetables, meat products and milk, or economically exploiting game.

The insufficient development of the food industry is also to be explained by the fact that the people's councils have almost entirely neglected the purchasing of agricultural products left to the producers after the delivery of their required quotas to the state. These agricultural products could constitute an important source of raw materials for local industry, especially the local food industry.

Very few people's councils have recommended such purchases. A good example has been set by the people's council of Bacau Reguine, which has made plans to put a barley-pearling factory back into operation, securing the raw material by purchase of excess barley left to the peasantry after they have made their compulsory deliveries to the state.

In general, the people's councils seem to doubt the possibility of successfully exploiting these opportunities and therefore their recommendations for 1952 are more cautious than an objective evaluation of the facts warrants. Local economic activity is deficient in another respect: the production of consumer goods is still low in comparison with the total production of manufactured products. Although the production of consumer goods has been increasing continuously since the end of 1951 the turning point has not yet been reached.

The 1952 draft plan of Buzau Reguine, for example, calls for a production of consumer goods totaling only 24 percent of the production of manufactured goods. The city of Bucharest is in a somewhat better position, although the anticipated production of consumer goods for 1952 amounts to only 30 percent of the total production of manufactured products.

However, Bihor Reguine has paid the proper attention to this problem and has obtained good results. Its draft plan for 1952 calls for a production of consumer goods amounting to 62 percent of the total production of manufactured goods.

Galati Reguine and the city of Galati have also set good examples. Their draft plan for 1952 calls for a production of consumer goods amounting to 61.5 percent of the total production of manufactured goods.

The production of consumer goods is the most important task of local industry, for it is closely bound up with the immediate interests of all working people.

From the above it is clear that there have been serious shortcomings in the activity of local industry, especially in the food industry. But it is also clear, that local industry has unlimited possibilities for development, in the immense riches still unexploited in all the reguines of the country. To achieve the objectives outlined by the party and the government, the people's councils must spare no efforts in the development of local industry. It is intended, through the use of local raw materials and resources, to supplement the production of the national industries and thus to satisfy the needs both of the whole population and of the local economy of each reguine.

#### Development of Cooperatives

Special attention must be paid to the development of artisan cooperatives. Their activity is covered in the plan for local industry. Most of the products put out by the handicraft cooperatives are consumer goods. This further emphasizes the importance of their role during the period when the achievements of the currency reform are being consolidated, when the accent is on supplying the population with goods.

- 10 -

RESTRICTED

ILLEGIB

25X1A

RESTRICTED

Artisan cooperatives achieved some important successes during 1951. Many cooperatives, as a result of an efficient organization of labor, succeeded in adopting assembly-line methods and thus increased their production. In this connection, the achievements of the Artex Cooperative at Arad should be mentioned. By using the Soviet Nikolayev method it succeeded in setting up the simultaneous manufacture of many types of dresses on the same assembly line.

The members of the Steaua Rosie Cooperative at Odorhei were also greatly concerned with increasing their labor productivity. By improving the machinery used for dadoing they were able to lower the time required for manufacturing a cabinet from 60 minutes to only 20 minutes. Aware of the importance of economizing on key and scarce raw materials to speed up the development of the country's industry, the workers and technicians in the cooperative sector have made every attempt to find substitute materials. For example, the members of the Otelul Cooperative at Arad developed a new method for producing keys made of cast iron. This made it possible to use iron instead of the nonferrous metals previously used for this purpose. They thus succeeded in saving substantial quantities of nonferrous metals.

The Dentocoop Cooperative at Cluj succeeded in manufacturing dental floss hitherto imported from foreign countries.

The decision of the executive committees of the people's councils in Bucharest Reguine, Stalin, and Cluj to establish retail cooperative stores provides a powerful tool for drawing producers and consumers closer together. By eliminating the expenses of transporting the goods from the place of production to the place of sale. There is a reduction in the distribution costs. It is therefore important that all other reguines follow this example.

Although the cooperatives achieved many successes in their work, there were also serious shortcomings, and therefore the results were not up to expectations.

One of the most serious shortcomings is the fact that the artisan cooperatives rely almost exclusively on the centralized supply fund for raw materials. An analysis of the production plan of the cooperatives in Timiscara for 1952 reveals that approximately 80 percent of all their raw materials comes from the centralized fund. This is a serious deficiency not only because these raw materials are needed for national enterprises but also because a number of difficulties are encountered in supplying the cooperatives from the centralized fund. The experience of 1951 showed that during certain periods when the transportation facilities were overloaded, the cooperatives did not receive the materials they needed on time. As a result, there were periods of interruption for as much as 20-25 percent of the total working time in some reguine. It is important that the artisan cooperatives, as well as local industry, make extensive use of local raw materials and wastes and thus reduce their dependence on the centralized fund as much as possible.

Another serious shortcoming of the artisan cooperatives is the small ratio of the quantity of food products to the total amount of consumer goods. Officials of the cooperatives must take the necessary steps to correct this deficiency because only thus will the cooperatives be able to accomplish the tasks assigned to them in the consolidation of the currency reform.

Work within large, well-organized, and well-equipped cooperatives is much more productive than the work of small craftsmen: larger quantities of goods are produced at a lower cost. Inducing small craftsmen to join artisan cooperatives therefore plays an important part in increasing the production of general consumption goods.

- 11 -

RESTRICTED

25X1A

RESTRICTED

In some reguines, including Bucharest, Stalin, Sibiu, Cluj, and Craiova, efforts have been made to strengthen the production cooperatives by incorporating small craftsmen and private workshops into large cooperatives. The same cannot be said of other reguines, however.

In certain reguines, such as Tara Motilor, where the population makes its living from stone cutting, woodwork, and ceramics, many more artisan cooperatives could have been established. This would not only increase the production of consumer goods but also raise the standard of living of the inhabitants of those reguines.

To improve the activity of artisan cooperatives it is necessary to publicize the experience of the leading cooperatives. Much attention must be given to innovations and rationalizations which can successfully be applied in this sector. Emphasis must be placed on improving the quality of the products and increasing their variety. In 1951, there were many cases in which the quality of delivered products did not meet the established requirements.

The rational utilization of materials, the observance and improvement of the established norms for the use of raw materials, and the achievement of as many economies as possible must be the daily concern of every worker. These economies provide materials for the production of supplementary quantities of consumer goods. This will increase the supply of merchandise available on the market and thereby strengthen the purchasing power of the new leu.

Much attention must be paid to the reduction of production costs. No attempt was made in this direction by the artisan cooperatives during 1951. This shortcoming must be promptly eliminated since reduction of the production costs for consumer goods is an essential prerequisite for reducing the retail prices of such goods.

The auxiliary production annexes of the consumer's cooperatives are in a position to increase substantially the supply of consumer goods. These enterprises, regrouped in industrial combines, produced a large quantity of consumer's goods during 1951, including: 110,000 pieces of lingerie and wearing apparel made from remnants, 120,000 pairs of peasant sandals, 14,000 pairs of combs, 70,000 axes, 36,000 pickaxes, 100,000 shovels, 210,000 pieces of rope, 15 tons of coloring earths, 80 tons of charcoal, 420,000 tons of cold cuts, 325,000 tons of crullers.

An analysis of the materials used by these production sections shows that 68 percent of the goods produced during 1951 were made from local raw materials, 17 percent from scraps, and 15 percent from materials from the centralized fund.

During 1952, the production goals for these sections have been increased 51 percent, and new requirements have also been established for the quantity and variety of the products. Emphasis has also been placed on the utilization of remnants and local raw materials.

#### Conclusions

Increasing the production of consumer goods can be accomplished successfully if it is based on a detailed knowledge of internal reserves and a real concern for their effective utilization as well as on a knowledge of the local resources and of the possibilities for utilizing them. The personnel of all enterprises producing consumer goods, national or local enterprises or artisan cooperatives, must unite their efforts to supply larger quantities of products of a wider variety and of better quality. Local enterprises and artisan cooperatives must contribute much more than hitherto to the discovery and exploitation of new local

- 12 -

RESTRICTED

25X1A

RESTRICTED

resources to reduce the percentage of raw materials ordinarily received from the centralized fund. They must increase the ratio of consumer goods, especially food products, to the total production of manufactured goods, and create a greater variety of consumer goods.

Increasing the production of consumer goods can be achieved only if socialist competition is developed on an increasingly extensive scale and if there is a steady development of the Stakhanovite movement. By participating extensively in socialist competition, the workers, technicians, and engineers will be able to save more materials, to utilization of machinery, equipment, and assemblies, to perfect the technological processes, and to improve the organization of the work.

The introduction and extensive application of the advanced methods of work of the Soviet Stakhanovites should be of great assistance in the campaign to fulfill and to exceed the plan. The cyclic graph method, methods of Lida Korobelnikova, Kovalev, Chutkikh, Voroshin, Kotlyar, and other Soviet Stakhanovites, as well as the methods of the leading production workers in Rumania including Simion Faur and Francisc Crenian and others, must be extended to all the enterprises in the country and become the regular work methods. Stakhanovites Maria Cincea, Maria Andrei, Paraschiva Matei, and Ana Boghina at the Industria Bumbacului B, each operate 100 automatic looms. Stakhanovites and Aurelia Sarkozi, Elizabeta Moraru, and Persida Petrisor at the Teba factory in Arad, each operate 84 automatic looms by the cyclic graph method. Their example should inspire the other workers to operate larger and larger assemblies of machines and thus wage a ceaseless struggle for a continuous increase in production.

ILLEGIB

- E N D -

- 13 -

RESTRICTED